GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3939
ANSWERED ON:09.12.2016
Debt to GDP ratio
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Will the Minister of FINANCE be pleased to state:

(a)whether the Government has made any assessment of debt to Gross Domestic Product (GDP) ratio of India;

(b)if so, the details thereof during the last three years and India"s position in comparison to other countries;

(c)the total annual interest payment on loans and debts over the last three years and the current year; and

(d)whether the Government has fixed a target for bringing down the debt to GDP ratio and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) and (b): The General Government debt as a percentage of GDP during the last three years is given in the following table:

General Government Debt GDP Ratio (per cent)		
2013-14	2014-15	2015-16
General Government Debt	66.8	67.1	68.6
Of which		
Central Government Debt	47.4	47.0	48.0

Source: Status Paper on Government Debt; September 2016,
Ministry of Finance, Government of India

According to the Fiscal Monitor, published by the International Monetary Fund, in October 2016, the gross debt of the general government as percentage of GDP for selected countries for the years 2013, 2014 and 2015 is given below:

General Government Gross Debt as per cent of GDP		
Country	2013	2014	2015
Argentina	42.2	43.6	52.1
Brazil	60.4	63.3	73.7
Canada	86.1	86.2	91.5
China	36.9	39.8	42.9
France	92.4	95.3	96.1
Germany	77.1	74.5	71.0
India	68.0	68.3	69.1
Indonesia	24.8	24.7	27.3
Italy	129.0	132.5	132.7
Japan	244.5	249.1	248.0
Russia	13.1	15.9	16.4
South Africa	44.0	46.9	49.8
United Kingdom	86.0	87.9	89.0
United States	104.6	104.6	105.2

Source: Fiscal Monitor of the IMF, October 2016

(c) Amount of interest payment on loans raised from domestic (through dated securities, Treasury Bills, Compensation and other bonds, Ways and Means advances and Small savings) and external sources during each of the last three years and Budget Estimates for the current year are given in the following table:

Details of Interest Payments (Rs. crore)

Source of Loans	2013-14	2014-15	2015-16 (Budget Estimates)	2016-17
Interest paid on borrowings (on outstanding and current year borrowings)	3,26,344	3,50,464	3,91,398	4,39,690
Interest paid on external borrowings (on outstanding and current year borrowings)	3,880	3,766	3,925	4,058
Total	3,30,224	3,54,230	3,95,323	4,43,748

Source: Ministry of Finance

(d) The quantum of debt is primarily dependent on the fiscal deficit. In the Medium Term Fiscal Policy Statement laid before the Parliament, along with Budget 2016-2017, the fiscal deficit has been projected to decline from 3.9 per cent (Revised Estimates) of GDP in 2015-16 to 3.5 per cent of GDP in BE 2016-17. As per the Medium Term Fiscal Policy Statement laid before the Parliament along with Budget 2016-2017, the total outstanding liabilities of the Central Government at the end of 2017-18 and 2018-19 have been estimated at 46.8 per cent and 44.4 per cent of GDP respectively.

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